GOVERNMENT OF INDIA
COAL
LOK SABHA

STARRED QUESTION NO:224
ANSWERED ON:05.08.2003
LOSS OF BCCL
VSM (RETD.) COL. CHOUDHARY

Will the Minister of COAL be pleased to state:

(a) whether the Bharat Coking Coal Ltd. has failed to maintain the guaranted ash content in the washed coad as per the MoU signed with SAIL;

(b) if so, whether the washed coal supplied by the Washeries of BCCL to SAIL during 1998-99 to 2001-2002 exceeded the ceiling limit over the guaranted ash percentage and in the Company had to sustain a loss of Rs.17.28 crore;

(c) if so, the facts thereof;

(d) whether the Government have fixed responsibility of any officials for apathy and lapses by not carrying out effective and proper monitoring and quality control resulting in loss to BCCL;

(e) if so, the details thereof alongwith the action taken against the guilty officials; and

(f) if not, the reasons therefore?

Answer

THE MINISTER OF COAL (SHRI KARIYA MUNDA)

(a) to (f) : A statement is laid on the table of the House.

Statement referred in reply to part (a) to (f) of Lok Sabha Starred Question No.224 for answer on 5.8.2003.

(a) No, Sir. As per MOU with SAIL, BCCL has to supply washed coal with a guaranteed ash content plus a tolerance limit of + 0.5% and at least 80% of supplies must conform to this requirement. It also has a cut off limit of 1.5% beyond guaranteed ash percentage meaning thereby that if the ash percentage of washed coal exceeds the cut off limit, BCCL will not get the price of washed coal but of raw coal of equivalent ash as notified by CIL. Approximately, 99% of the supplies from BCCL have fallen in the range of cut off limit. In the MOU, there if also a provision for proportionate penalty and bonus for ash percentage of washed coal being more or less then the guaranteed percentage of ash respectively.

(b) In a few cases, the ash percentage of the samples of washed coal have exceeded the cut off limit as stipulated in the MOU. The total billed value of despatch of washed coad to SAIL during 1998-99 to 2001-2002 was Rs.2223.33 crores and a penalty of Rs.17.28 crores during the same period was imposed, which amounts to 0.8% of billed value. The figures however are under reconciliation.

(c) Most of the washeries, except Madhuban washery, of BCCL are now 20 to 40 years old and have parctically outlived their useful life needing heavey capital investment for technological modernization and automation for quality monitoring of products. Despite BCCL being in a loss, a package is being drawn up for renovation and modernisation of the coking coal washeries under BCCL. The presently available raw coking coal as fed to the washeries have undergone sea changes due to geo-mining conditions and are not matching with the designed parameters of the washery inputs. Besides, washeries have to deal with lots of variable operating parameters.

(d) to (f) No, Sir in view of reply at (c) above.